

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 EB-11 INT-08 COME-00 TRSE-00

OMB-01 FEA-02 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 NEA-10 DRC-01 /154 W
----- 024841

R 190905Z JAN 74

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 5813

INFO AMEMBASSY ABIDJAN

AMEMBASSY LAGOS

AMEMBASSY NIAMEY

AMEMBASSY LOME

AMEMBASSY OUAGADOUGOU

AMEMBASSY PARIS

C O N F I D E N T I A L COTONOU 0095

E.O. 11652: GDS

TAVJ: ENRG, DM

SUBJECT: GASOLINE CRISIS IN DAHOMEY

REF: (A) COTONOU 0041

(B) COTONOU 0060

1. LOCAL MOBIL OIL DIRECTOR, TAOFODE CODO, TOLD US JAN 18 THAT GASOLINE PRICE IMPASSE HAS APPARENTLY BEEN SOLVED. MEETING OF COUNCIL OF MINISTERS EVENING OF JANUARY 17 PRODUCED NEW PRICE SCHEDULE THAT ACCEDES TO ALMOST ALL OIL COMPANIES' DEMANDS. ANNOUNCEMENT OF DECISION EXPECTED WITHIN NEXT TWENTY-FOUR HOURS.

2. EDITORIAL IN "DAHO-EXPRESS" OF JAN 17 BLAMING INTERNATIONAL OIL COMPANIES FOR CRISIS CAUSED SOME CONCERN FOR CODO AND OTHER OIL DIRECTORS. HE SAID, HOWEVER, MRGDNWFD BECOME "MORE REALISITC" IN APPROACHING PROBLEM.

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3. PROPOSED PRICE CHANGES RANGE FROM ZERO FOR KEROSENE TO 15.1 PERCENT BOOST XTO HIGH-OCTANE GASOLINE TO 57 CFA PER LITER. MRGD WAS ADAMANT THAT PRICES NOT BE RAISED FOR KEROSENE WHICH IS USED BY MOST OF POPULATION. PRICE INCREASES FOR GASOLINE WILL MAINLY AFFECT THOSE WHO CAN AFFORD IT. HOWEVER, IT WILL HAVE EFFECT ON GENERAL COST OF LIVING.

4. REGARDING SUPPLY, CODO SAID ONE TANKER EXPECTED ARRIVE COTONOU THIS EVENING, ANOTHER ON JAN 23. HE SEEMED TO FEEL EXISTING SHORTAGES WOULD END WITHIN NEXT WEEK AS THESE TANKERS ARE UNLOADED.

5. FRENCH AMBASSADOR VERY CONFIDENTIALLY TOLD US COMMISSION OF CIVIL SERVANTS APPOINTED STUDY PETROLEUM CRISIS RECOMMENDED EVENTUAL NATIONALIZATION OF DISTRIBUTION SYSTEM. ALSO SAID DELEGATION BEING SENT TO NIGERIA, GABON AND ARAB COUNTRIES TO EXPLORE FUTURE POSSIBILITIES THESE COUNTRIES SUITABLY LOWER PRICED PETROLEUM PRODUCTS.

6. AS ANTICIPATED, MRGD FORCED ALLOW PRICE RISE. HOWEVER, "DAH-EXPRESS" EDITORIAL WAS OBVIOUS ATTEMPT DEFLECT POPULAR DISCONTENT OVER SHORTAGE OF SUPPLY AND COMING RISE IN PRICE OF PETROLEUM PRODUCTS FROM GOVERNMENT TO PRIVATE OIL COMPANIES. PLIGHT OF BEING HELPLESS IN FACE OF FOREIGN IMPOSED PRICE RISE RANKLING. MRGD LIKELY PURSUE ATTEMPTS GET ARAB AND AFRICAN OIL PRODUCING FRIENDS PROVIDE CHEAPER PRODUCTS. HOWEVER, MOST INFORMED DAHOMEANS NOW REALIZE THIS NOT LIKELY BE POSSIBLE UNTIL THEY HAVE THEIR OWN REFINERY TO WHICH AFRO-ARAB FRIENDS MAY PROVIDE CRUDE.
ANDERSON

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